



House Democratic Leader Nancy Pelosi – Senate Democratic Leader Tom Daschle
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IRRESPONSIBLE PRIORITIES OF BUSH BUDGET HARMS NORTH CAROLINA

Even as middle class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least and billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

Reckless Republican policies create record deficits. The President's reckless disregard for fiscal responsibility has led to a \$521 billion deficit in FY 2004. If the budget were to be balanced this year, the average taxpayer in North Carolina would have to pay an additional \$1,439 -- a deficit tax - to cover the gap. [<http://www.nationalpriorities.org/impact04/index.html>]

Bush budget provides an additional \$1 trillion in tax cuts for those who don't need them but does nothing to create good jobs here at home. Since the beginning of the Bush Administration, North Carolina has lost 128,200 jobs and 148,200 manufacturing jobs. Almost 3 million private sector jobs have been lost nationwide. [BLS 1/04] Personal bankruptcies are at an all time high as families struggle to pay the bills. In North Carolina, 541 people declared bankruptcy during 2003-- a 49% increase from 2000. [<http://www.nationalpriorities.org/impact04/index.html>] But under Bush's 2003 tax break, 3,177,000 North Carolina taxpayers get a tax cut of less than \$100 this year -- 80% of all taxpayers in that state. [<http://www.ctj.org/pdf/2003statecut.pdf>]

Breaks the promise of a better education. The President's budget fails to provide \$9.4 billion in promised funding for education -- meaning that 53,097 children in North Carolina will not get the help with reading and math through Title I they were promised. [CRS, 1/04] It also eliminates Federal funding for dropout prevention programs nationwide, and fails to provide promised funds for after-school programs.

Freezes Pell Grant Award Level and slashes nearly \$100 million for Perkins Loans. The most recent data available indicate that there are 110,238 students in North Carolina universities receiving Pell Grants. [<http://www.ed.gov/finaid/prof/resources/data/ope.html?exp=0>] The President's budget freezes the maximum Pell Grant and eliminates nearly \$100 million in funding for new Federal contributions for Perkins loans, which provide low-interest loans for students with financial needs. It also freezes or eliminates funding for campus-based student aid programs, resulting in the loss of grants, work-study, and loans.



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Leaves veterans behind. The President's budget imposes new co-payments and enrollment fees that will cost veterans over \$2 billion over five years and underfunds veterans health care programs by \$13.5 billion over the next five years, placing the health care earned by 772,814 veterans in North Carolina in jeopardy. [Department of Veterans Affairs, 9/03]

Slashes \$655 million in funding for the COPS program – an 87 percent cut. Over the life of the COPS program, North Carolina has received over \$158,978,625 in grants, which has put 2,900 additional officers on the streets. [<http://www.cops.usdoj.gov/Default.asp?Item=480>] The President's budget decimates the COPS program, reducing its funding by 87 percent.

Slashes \$1 billion in funding for homeland security and bioterrorism grants. The Bush budget cuts \$22,790,654 from homeland security formula grants in North Carolina. These grants provide police, firefighters and emergency management teams with the training and equipment they need to keep communities safe. It also cuts \$2,749,127 from the Centers on Disease Control's state and local capacity bioterrorism grants in North Carolina, which fund needed improvements in public health and medical infrastructure statewide. [FFIS, 2/04]

\$606 million cut in environmental protection programs. North Carolina has 27 sites contaminated with toxic waste on the National Priorities Superfund List, and 9 sites are likely to be affected by failing to fully fund the Superfund program. [Sierra Club, 2/04] The budget also cuts Clean Water funding by 37 percent nationwide -- a \$8,857,859 in Clean Water funding for North Carolina. [FFIS, 2/04] The President's budget also freezes funding for safe drinking water programs.

\$147 million cut in the Community Services Block Grant. The President's budget cuts \$3,835,221 from the Community Services Block Grant in North Carolina, which provides employment services, housing, family counseling, transportation, medical and dental care and emergency assistance to families in need. [FFIS, 2/04]